

# CAPITAL BUDGET BUDGET SUMMARY

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE  
STAFF: BRIAN WIKLE

## ISSUE BRIEF

## OVERVIEW

The Capital Budget funds new construction, major remodeling, alterations, repairs, improvements, real estate, roofing, and paving projects. The Capital Budget's two largest areas are Capital Improvements and Capital Development; other areas include Property Acquisition and Land Banking.

### ***Capital Improvement***

A capital improvement is a project on an existing facility that costs less than \$3.5 million; a utility project that costs less than \$7.0 million subject to certain provisions; or new construction that costs less than \$500,000 (UCA [63A-5b-401](#)). At least 90 percent of the state funds appropriated for capital improvements must be used for maintenance or repair of existing buildings or facilities. No more than ten percent of capital improvement funding may be used for aesthetic upgrades or additions to existing buildings (UCA [63A-5b-405](#)). The Legislature is required to appropriate 1.1 percent of the current replacement value (CRV) of existing state facilities and infrastructure to capital improvements before funding the design or construction of any new capital development projects (UCA [63A-5b-406](#)). Statutory capital improvement funding for FY 2022 is \$130,451,000.

The Legislature appropriated \$154,169,300 (or 1.3 percent of CRV) with \$79,809,600 from the Education Fund and \$74,359,700 from the General Fund ([H.B. 6](#), 2021 General Session, Item 63). The following table shows the Division of Facilities and Construction Management's (DFCM) recommended allocations of FY 2022 capital improvement funding to institutions of higher education and state agencies (rounded to the nearest \$100).

## Div. of Facilities and Construction Mgmt.'s Recommended Capital Improvement Allocations for FY 2022

Higher Education – Degree Granting	
Dixie State University	4,419,200
Salt Lake Community College	7,238,400
Snow College	3,001,500
Southern Utah University	4,111,100
University of Utah	29,097,600
Utah State University	15,730,000
Utah Valley University	7,979,800
Weber State University	6,777,600
<b>Total</b>	<b>78,355,200</b>

Higher Education – Technical Colleges	
Bridgerland	1,571,300
Davis	1,660,100
Dixie	89,600
Mountainland	1,265,000
Ogden-Weber	1,450,000
Southwest	464,300
Tooele	78,100
Uintah Basin	1,306,700
<b>Total</b>	<b>7,885,100</b>

State Agency	
Administrative Services	5,643,900
Alcoholic Beverage Control	989,000
Board of Education	640,000
Capitol Preservation Board	3,250,000
Corrections	6,846,700
Courts	5,222,300
Health	510,700
Heritage and Arts	747,000
Human Services	7,813,800
National Guard	4,057,400
Natural Resources	4,660,200
Public Safety	1,721,100
School for the Deaf and Blind	298,900
Tax Commission	601,700
Transportation	5,502,700
Utah State Fairpark	1,454,900
Veterans Affairs	1,571,900
Workforce Services	1,544,100
<b>Total</b>	<b>53,076,200</b>

Other	
Capital Improvements PMs	3,000,000
FCAs, Audits and BB	1,500,000
Hazmat Program	2,000,000
Paving Program Funding	1,000,000
Roofing Program Funding	
Unassigned CI Funding	2,352,800
TSOB Data Center	3,000,000
VOIP Infrastructure	500,000
Statewide Fuel Tank Upgrades	1,500,000
<b>Total</b>	<b>14,852,800</b>

<b>Grand Total</b>	<b>154,169,300</b>
--------------------	--------------------

Source: [Division of Facilities and Construction Management, Five-year Building Program, Fiscal Year 2022.](#)

LFA Option

The proportion of CRV attributable to institutions of higher education and education-related state agencies is about 61 percent; other non-transportation-related state agencies is about 37 percent; and the Department of Transportation (DOT) is about 2 percent. Capital improvement funding could be appropriated in relation to the CRV proportions by making the budget adjustments shown in the rightmost column in the following table.

**Capital Improvement – Financing Proportional to CRV**

Category	Financing Source	H.B. 6, Item 63 Appropriation	Proportion of CRV	H.B. 6 Amount Proportional to CRV	Adjustment
Higher Education and Education-related Agencies	Education Fund	\$79,809,600	61%	\$93,959,600	\$14,150,000
Non-Education/DOT Agencies	General Fund	\$74,359,700	37%	\$56,589,200	(\$17,770,500)
Department of Transportation (DOT)	Transportation Fund	\$0	2%	\$3,620,500	\$3,620,500
<b>Total</b>		<b>\$154,169,300</b>	<b>100%</b>	<b>\$154,169,300</b>	<b>\$0</b>

Alternatively, capital improvement funding could be appropriated in relation to DFCM's recommended allocations as shown below.

**Capital Improvement – Financing Proportional to DFCM Recommended Allocations**

Category	Financing Source	H.B. 6, Item 63 Appropriation	DFCM Recommended Allocation	Adjustment
Higher Education and Education-related Agencies	Education Fund	\$79,809,600	\$87,179,200	\$7,369,600
Non-Education/DOT Agencies and Other	General Fund	\$74,359,700	\$61,487,400	(\$12,872,300)
Department of Transportation	Transportation Fund	\$0	\$5,502,700	\$5,502,700
<b>Total</b>		<b>\$154,169,300</b>	<b>\$154,169,300</b>	<b>\$0</b>

***Capital Development***

Capital development means a: remodeling, site, or utility project with a total cost of \$3,500,000 or more; a new facility with a construction cost of \$500,000 or more; or purchase of real property where an appropriation is requested to fund the purchase (UCA [63A-5b-401](#)). Statute requires that the State Building Board, on behalf of all state agencies and institutions, submit its capital development recommendations and priorities to the Legislature for approval and prioritization (UCA [63A-5b-402](#)). The SBB may approve a capital development project without the approval of the Legislature if the board determines that a requesting agency or institution has provided adequate assurance that state funds will not be used for construction, operation and maintenance, or future capital improvements of the facility; and that the use of the state property is appropriate and consistent with the master plan for the property and will not create an adverse impact on the state (UCA [63A-5b-404](#)). State-funded Projects

The table on the following page shows capital development projects for FY 2022 as listed in DFCM's Five-year Building Program.

### Projects Listed in DFCM's Five-year Building Program for FY 2022

Agency / Institution	Project	State Funding Request	Total Estimated Cost	Total Square Feet after Project	Cost per Square Foot	Increased State O&M	Annual Capital Improve.
Bridgerland Technical College	Health Science and Technology Building	\$38,059,600	\$39,059,600	74,922	\$521.34	\$624,000	\$429,700
Southern Utah University	Academic Classroom Building	\$43,013,700	\$45,013,700	90,000	\$500.15	\$806,400	\$495,200
Department of Public Safety	Brigham City Consolidated Public Safety Building	\$7,525,700	\$9,575,700	17,350	\$551.91	\$37,200	\$105,300
University of Utah	Applied Sciences Building	\$60,000,000	\$84,560,700	140,729	\$600.88	\$646,500	\$930,200
Utah State University	Mehdi Heravi Global Teaching and Learning Center	\$14,500,000	\$17,000,000	108,631	\$442.37	\$332,100	\$187,000
Salt Lake Community College	Herriman Campus General Education Building	\$32,674,800	\$57,074,800	90,000	\$634.16	\$1,026,500	\$627,800
Dixie State University	Land Bank	\$10,075,000	\$10,075,000	126 acres	\$79,960 acre	NA	NA
Department of Natural Resources	Lone Peak Facility	\$13,958,300	\$13,958,300	33,352	\$338.88	\$0	\$153,500
Department of Administrative Services	Fleet, Surplus, and DFCM Relocation	\$27,870,500	\$27,870,500	52,870	\$527.15	\$91,600	\$306,600
Department of Human Services	Utah State Hospital ISTEP (Intensive Stabilization, Treatment, and Evaluation Program) Building	\$21,850,200	\$21,850,200	43,558	\$501.63	\$627,200	\$240,400
Department of Natural Resources	Richfield Fire Cache and Storage Building	\$2,429,100	\$2,429,100	9,555	\$254.25	\$0	\$26,700
Department of Human Services	USDC Comp Therapy Building	\$28,043,500	\$28,043,500	50,339	\$557.10	\$701,100	\$308,500
Department of Natural Resources	Loa Fish Hatchery	\$33,969,200	\$34,099,200	125,828	\$271.00	\$0	\$375,100

Source: [Division of Facilities and Construction Management, Five-year Building Program, Fiscal Year 2022.](#)

#### Land Bank

DFCM included the following land bank request in its FY 2022 Five-year Building Program:

Dixie State University: \$10,075,000 to purchase 126 acres on which to construct classroom and laboratory buildings in the future. The land is currently owned by the School and Institutional Trust Lands Administration.